

SENATE BILL No. 193

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-40.

Synopsis: Transfers between school funds. Allows the governing body of a school corporation to adopt a resolution to transfer money in a fund maintained by a school corporation to another fund of the school corporation, except to or from the debt service fund. Requires a school corporation to report the transfer between school funds to the department of education within six months after making the transfer. Discontinues the ability to make these transfers December 31, 2013. Makes conforming changes.

Effective: July 1, 2010.

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January 5, 2010, read first time and referred to Committee on Appropriations.

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Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

SENATE BILL No. 193

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-40-5-5, AS ADDED BY P.L.2-2006, SECTION
2 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2010]: Sec. 5. **(a)** Money in the fund may be used only for education
4 programs that improve or maintain racial balance in the school
5 corporation. Money in the fund may not be used for:

6 (1) transportation; or

7 (2) capital improvements;

8 even though those costs may be attributable to the school corporation's
9 proposed programs for improving or maintaining racial balance in the
10 school corporation.

11 **(b) Money in the fund may be transferred to another school**
12 **fund, except the debt service fund, under IC 20-40-16.**

13 SECTION 2. IC 20-40-6-5, AS AMENDED BY P.L.234-2007,
14 SECTION 229, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2010]: Sec. 5. (a) Subject to this chapter, the
16 fund is the exclusive fund to be used by a school corporation for the
17 payment of costs attributable to transportation.



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(b) Contracted transportation service costs transferred to the school bus replacement fund under IC 20-40-7 are payable from the school bus replacement fund.

(c) Money in the fund may be transferred to another school fund, except the debt service fund, under IC 20-40-16.

SECTION 3. IC 20-40-7-6, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. **(a)** Except as otherwise provided by law, the fund is the exclusive fund used to pay the following costs attributable to transportation:

(1) Amounts paid for the replacement of school buses, either through a purchase agreement or under a lease agreement.

(2) The costs of contracted transportation service payable from the fund under section 7 of this chapter.

(b) Money in the fund may be transferred to another school fund, except the debt service fund, under IC 20-40-16.

SECTION 4. IC 20-40-8-20, AS AMENDED BY P.L.234-2007, SECTION 231, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 20. Money in the fund may be transferred to another fund and used as provided by law. The laws permitting a transfer of money from the fund include the following:

(1) IC 20-20-10-5 (implementation of technology preparation task force).

(2) IC 20-40-11-3 (repair and replacement fund).

(3) IC 20-40-12-6 (self-insurance fund).

(4) IC 20-49-4-22 (advance for educational technology program).

(5) IC 20-40-16 (transfers between funds, except the debt service fund).

SECTION 5. IC 20-40-10-3, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3. **(a)** The chief fiscal officer of a school corporation may invest money in the school corporation's fund in the same manner in which money in the school corporation's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the fund.

(b) Money in the school corporation's fund may be transferred to another school fund, except the debt service fund, under IC 20-40-16.

SECTION 6. IC 20-40-11-7, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 7. **(a)** Expenditures from the fund may be made only after appropriation in the school corporation's annual

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budget or by an additional appropriation under IC 6-1.1-18-5.

(b) Money in the fund may be transferred to another school fund, except the debt service fund, under IC 20-40-16.

SECTION 7. IC 20-40-12-6, AS AMENDED BY P.L.146-2008, SECTION 479, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. Subject to the approval of the commissioner of insurance, the governing body of the school corporation may:

- (1) transfer to the fund an amount of money in the general fund budget;
- (2) transfer money from the general fund to the fund;
- (3) appropriate money from the general fund for the fund; or
- (4) transfer money from the capital projects fund to the fund, to the extent that money in the capital projects fund may be used for property or casualty insurance.

The governing body of the school corporation may make a transfer from the fund to another school fund under IC 20-40-16 without the approval of the commissioner of insurance.

SECTION 8. IC 20-40-15-2, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) Each school corporation shall establish a school technology fund.

(b) The fund consists of the following:

- (1) Money transferred to the fund under IC 20-40-14-1 or section 3 or 4 of this chapter.
- (2) Other money, as designated by the department.

(c) Property taxes levied by a school corporation for a capital projects fund may not be transferred to the fund.

(d) Money in the fund may be transferred to another school fund, except the debt service fund, under IC 20-40-16.

SECTION 9. IC 20-40-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]:

Chapter 16. School Fund Transfers

Sec. 1. As used in this chapter, "fund" means any fund of a school corporation permitted to be established by this article, except for the debt service fund established under IC 20-40-9.

Sec. 2. The governing body of a school corporation may adopt a resolution to transfer money from one (1) fund to another fund. If a fund to fund transfer is made, the school corporation shall file a report with the department within six (6) months after making the transfer. The report must include the following:

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- 1 **(1) The purpose of the transfer.**
- 2 **(2) The funds involved in the transfer.**
- 3 **(3) The amount transferred between the funds.**
- 4 **(4) The impact of the transfer to the programs that are**
- 5 **supported by the fund from which the transfer was made.**
- 6 **(5) A copy of the resolution authorizing the transfer.**
- 7 **Sec. 3. This chapter expires December 31, 2013.**

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